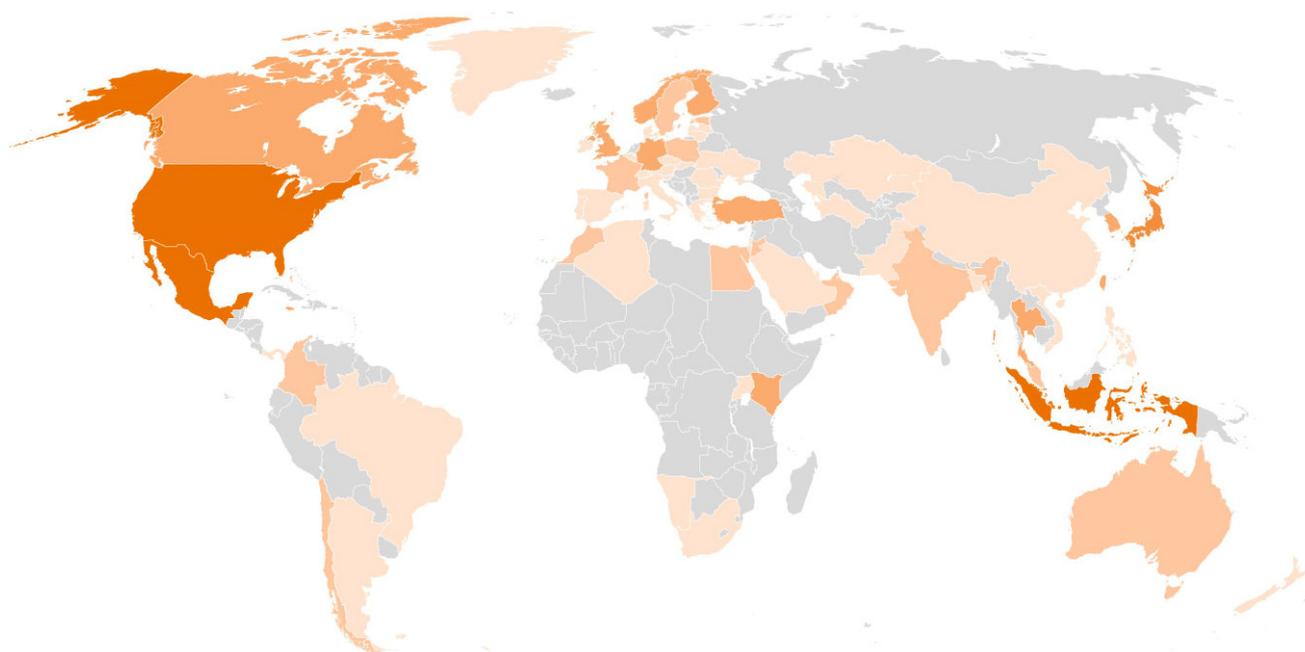


# Dutch arms export policy in 2016

Report by the Minister for Foreign Trade and Development Cooperation and the  
Minister of Foreign Affairs on the export of military goods



May 2017

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## 1. Introduction

The present report on Dutch arms export policy in 2016 is the 20th annual report drawn up in accordance with the policy memorandum on greater transparency in the reporting procedure on exports of military goods of 27 February 1998 (Parliamentary Papers, 22 054, no. 30). The report comprises:

- a [profile](#) of the Dutch defence and security-related industry;
- an overview of the [principles](#) and [procedures](#) of Dutch arms export policy;
- a description of developments relating to [transparency](#);
- a [quantitative overview](#) of Dutch arms exports in 2016;
- a description of developments within the EU relevant to [Dutch arms export policy](#);
- a summary of the role and significance of the [Wassenaar Arrangement](#);
- a description of developments relating to [dual-use goods](#);
- a description of efforts in the field of [arms control](#) with specific reference to the problem of small arms and light weapons.

The report has eight annexes:

[Annexe 1](#) lists the values of export licences issued in 2016 by category of military goods and by country of final destination.

[Annexe 2](#) shows the trend in Dutch arms exports for the period 2007-2016.

[Annexe 3](#) provides an overview of licences worth over €2 million issued for dual-use items with a military end use.

[Annexe 4](#) is a new annexe which gives an overview of the reported use of general transfer licences NL003, NL004 and NL009.

[Annexe 5](#) contains an overview of licences issued for the transit of military goods to third countries.

[Annexe 6](#) lists the licence applications denied by the Netherlands.

[Annexe 7](#) provides an overview of the sale of surplus defence equipment in 2016.

[Annexe 8](#) sets out the letters and replies to written questions sent to the House of Representatives in 2016 regarding arms export policy and policy on dual-use goods. This includes letters from the government to the House of Representatives that constitute [expedited notification](#) of several high-value licences.

## 2. The Dutch defence and security-related industry

With very few exceptions, the Dutch defence and security-related industry consists mostly of civil enterprises and research institutions with divisions specialising in military production and services. This sector is characterised by high-tech production, frequent innovation and a highly educated workforce. As the domestic market is limited, the industry focuses strongly on exports, which account for no less than 68% of turnover.

The 651 companies that make up this industry provide 24,800 jobs in the Netherlands, 32% of which are in research and development (R&D). Almost two-thirds of the people employed in the Dutch defence and security-related industry are qualified at HBO (higher professional education) level or above, compared with 28% of the Dutch workforce as a whole. The sector is of great economic importance owing to its strong capability for innovation. Its development of advanced knowledge and its product innovations form a source of military spin-offs and civilian spillovers. By working closely with the various Services of the armed forces, the sector also contributes directly to the operational deployability of the Dutch armed forces, and by extension it enhances the standing and effectiveness of the Netherlands' contributions to international missions.

Based on the operational interests and requirements of the Defence organisation, the government's policy is aimed at positioning the Netherlands' defence and security-related industry and knowledge institutions in such a way that they are able to make a high-quality contribution to Dutch security. This will also enhance their competitiveness in the European and international markets and within supply chains. To this end, Dutch companies are involved in national military tenders either directly or, where possible, indirectly through industrial participation. This policy is described in the Defence Industry Strategy (DIS) that was presented to the House of Representatives in December 2013.<sup>1</sup>

Because the domestic market is too small to support the available expertise, the government also encourages the Dutch defence and security-related industry to participate in international cooperation in the field of defence equipment. This has led to the establishment of commercial relationships with enterprises from various other countries, including Germany, the US, the UK and Belgium. This also involves joint commitments relating to systems maintenance and subsequent delivery of components. Cooperation also plays an important role in supplying to third countries. The scope for Dutch companies to enter into long-term international cooperative arrangements therefore depends in part on the transparency and consistency of Dutch arms export policy.

The government regards the export activities of the defence and security-related industry as a prerequisite for preserving the Netherlands' knowledge base in this area. This does not alter the fact that limits must be imposed on these activities in the interests of strengthening the international rule of law and promoting peace and security. The government believes that, within these limits, the sector should be allowed to meet other countries' legitimate requirements for defence equipment. In light of these circumstances, the Dutch defence and security-related industry has pursued a policy of increasing specialisation. Companies that

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<sup>1</sup> House of Representatives, 2013-2014, 31 125, no. 20: <https://zoek.officielebekendmakingen.nl/kst-31125-20.html>.

focus on exporting military products mostly manufacture high-tech components and subsystems. An exception, however, is the maritime sector, which still carries out all production stages from the drawing board to the launch, thus contributing to the Netherlands' export of complete weapon systems.

The most recent quantitative data on the defence and security-related industry was made available in 2016 on a voluntary basis by the companies concerned in the context of a study carried out by Triarii at the request of the Ministry of Economic Affairs and was communicated to the House of Representatives by letter of 28 April 2016.<sup>2</sup>

*Table 1, The Dutch defence and security-related industry in figures*

|   |               |
|---|---------------|
| Number of companies   | 651           |
| Defence and security-related turnover in 2014                           | €4.54 billion |
| Defence and security-related turnover as a percentage of total turnover | 15%           |
| Value of defence and security-related exports in 2014                   | €3.09 billion |
| Number of jobs in the defence and security-related industry             | 24,800        |
| Number of those jobs in the field of R&D                                | 7,995         |

*Source: Triarii 2016*

As shown above, the Dutch defence and security-related industry comprises 651 companies. That number has risen sharply over the past few years as a result of an increase in the number of jobs related to IT and services. The sector consists largely of small and medium-sized enterprises that generally operate in the supply chains for the major defence companies in Europe and the United States. In this context, it is important to note that not all goods and services supplied by the Dutch sector require an export licence. Consequently, the value of defence and security-related exports is generally higher than the total value of export licences issued.

In 2014, Dutch military production and services accounted for an estimated total turnover of €4.54 billion. This represents an average share of approximately 15% of the total turnover of the companies and organisations concerned. Most of them therefore focus primarily on developing their civilian activities, and only a few concentrate almost exclusively on the defence market. Military exports account for approximately €3 billion of the Netherlands' defence and security-related industry. The companies are confident about their competitiveness, and they expect they will continue to grow in the coming years.

### **3. Instruments and procedures of Dutch arms export policy**

Export licences for military goods are issued on the basis of the General Customs Act (*Algemene Douanewet*) and the associated export control regulations. Companies or persons wishing to export goods or technology that appear on the Common Military List of the

<sup>2</sup> House of Representatives, 2015-2016, 66, 31 125, annexe 739 187.

European Union<sup>3</sup> must apply to the Central Import and Export Office (CDIU) for an export licence. The CDIU is part of the Groningen Customs Division of the Tax and Customs Administration, which in turn falls under the Ministry of Finance. On matters relating to military export licences, which are issued on behalf of the Minister for Foreign Trade and Development Cooperation, it receives its instructions from the Ministry of Foreign Affairs.

In principle, licence applications for the export of military goods to NATO and EU member states and countries with a similar status (Australia, Japan, New Zealand and Switzerland) are processed by the CDIU, on the basis of a procedure formulated by the Ministry of Foreign Affairs. The exceptions to this rule are Cyprus and Turkey. Applications for exports to these two countries – and all other countries – are submitted to the Ministry of Foreign Affairs for decision. In order to verify the compatibility of such applications with Common Position 2008/944/CFSP, which defines the EU's common rules for the export of military technology and equipment, the Minister for Foreign Trade and Development Cooperation seeks foreign policy guidance from the Minister of Foreign Affairs. This guidance plays a key role in the final decision on whether or not to issue an export licence. In the case of applications for exports to developing countries that appear on the DAC list of ODA recipients, the Minister of Foreign Affairs consults with the Directorate-General for International Cooperation (DGIS).<sup>4</sup>

In the case of licence applications for the export of surplus military equipment of the Dutch armed forces, the Minister of Defence notifies the House of Representatives in advance (if necessary on a confidential basis). The disposal of such equipment is subject to the regular licensing procedure, and the Ministry of Foreign Affairs assesses these transactions against the criteria of Dutch arms export policy, just as it does in the case of commercial export transactions.

Since 1 September 2016 army vehicles designed especially for military use fall under the licence requirement. In contrast to previous policy, this is also the case when the vehicle's specifications are not explicitly stated on the EU Common Military List but are nevertheless relevant from a military operational perspective. If a vehicle has been specially designed for military use, it cannot in practice be demilitarised, and exporting such a vehicle will always require a licence. It should be noted that policy on civilian vehicles that have been modified for military use will remain the same. If the military modifications have been removed prior to export, no licence is required.

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<sup>3</sup> Official Journal of the European Union No. C107 of 9 April 2014, available at: <http://eur-lex.europa.eu/legal-content/NL/TXT/PDF/?uri=OJ:C:2014:107:FULL&from=EN>

<sup>4</sup> A list of countries that receive official development assistance (ODA), drawn up by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD).

## **Transit**

Following an amendment to the Import and Export Act in 2001, the classification and assessment procedures of Dutch arms export policy can in certain cases be extended to apply to the transit of military goods through Dutch territory. These transit control procedures have since undergone a number of modifications. Until 30 June 2012, companies seeking to forward military goods to or from Australia, Japan, New Zealand, Switzerland or an EU or NATO member state via the Netherlands were only subject to a reporting requirement. Since 1 July 2012, this reporting requirement has been replaced by a licensing requirement in cases where a transit shipment to or from one of the aforementioned countries is transshipped in the Netherlands. This applies, for example, when a shipment is transferred from a ship to a train, but also when goods are transferred from one aircraft to another. If no goods are transshipped, transit shipments to or from Australia, Japan, New Zealand, Switzerland or an EU or NATO member state are subject only to a reporting requirement. The authorities use these reports to gain insight into the nature and volume of military goods that pass through the Netherlands in transit. On the basis of this information, moreover, they can decide to impose a licensing requirement on a transit shipment that would not normally be subject to such a requirement. This may happen, for example, if there are indications that the country of origin did not check the goods or if the stated destination of a shipment appears to change during transit. Transit shipments to and from countries other than those mentioned above are always subject to mandatory licensing.

In connection with the extra critical review occasioned by the conflict in Yemen, the government amended the ministerial order on general transfer licence NL007 on 9 July 2016.<sup>5</sup> This general transit licence can now no longer be used if the final destination is one of the following countries: Yemen, Saudi Arabia, the United Arab Emirates or Qatar. In such cases, an application must be submitted for an individual transit licence. These applications will also be subject to the government's strict review policy.

## **4. Principles of Dutch arms export policy**

Licence applications for the export of military equipment are assessed on a case-by-case basis against the eight criteria of Dutch arms export policy, with due regard for the nature of the product, the country of final destination and the end user. These eight criteria were initially defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and were subsequently incorporated in the EU Code of Conduct on Arms Exports (1998). On 8 December 2008 the Council of the European Union decided to transform the 10-year-old Code of Conduct into Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment.<sup>6</sup> The criteria read as follows:

1. Respect for the international obligations and commitments of member states, in particular the sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.

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<sup>5</sup> Government Gazette, no. 36336, 8 July 2016.

<sup>6</sup> Official Journal of the European Union No. L 335 of 13 December 2008, pp. 99 ff., available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:en:PDF>.

2. Respect for human rights in the country of final destination as well as compliance by that country with international humanitarian law.
3. Internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.
4. Preservation of regional peace, security and stability.
5. National security of the member states and of territories whose external relations are the responsibility of a member state, as well as that of friendly and allied countries.
6. Behaviour of the buyer country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law.
7. Existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions.
8. Compatibility of the exports of the military technology or equipment with the technical and economic capacity of the recipient country, taking into account the desirability that states should meet their legitimate security and defence needs with the least diversion of human and economic resources for armaments.

The above-mentioned criteria and the mechanism for information sharing, notification and consultation that applies when a country is considering an export licence application for a destination for which another member state has previously denied a similar application, continue to form the basis of Common Position 2008/944/CFSP. However, the transformation of the Code of Conduct into the Common Position has also broadened its scope. Brokering, transit, intangible forms of technology transfer and production licences have been brought within the ambit of the Common Position in cases where they are subject to mandatory licensing in a member state.

Albania, Bosnia and Herzegovina, Canada, the former Yugoslav Republic of Macedonia, Georgia, Iceland, Montenegro and Norway have officially endorsed the criteria and principles of the Common Position. In addition, Norway shares information regarding licence application denials with the EU. It goes without saying that the Netherlands fully observes all arms embargoes imposed by the UN, the Organization for Security and Co-operation in Europe (OSCE) and the EU. An up-to-date overview of national measures implementing UN and EU sanctions, including arms embargoes, is available on the government's internet portal.<sup>7</sup> In addition to the information that appears in this overview, it should be noted that an OSCE embargo against 'forces engaged in combat in the Nagorno-Karabakh area' has been in force since 1992, in accordance with a decision by the Committee of Senior Officials – the predecessor of the Senior Council – of 28 February 1992.

## **5. Transparency in Dutch arms export policy**

The Netherlands maintains a high level of transparency in its arms export policy. The government publishes information on licences issued in annual reports and online monthly summaries; most other countries only issue annual reports, which are often more general in nature. On the basis of an undertaking given by the Minister of Foreign Affairs during a

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<sup>7</sup> <http://www.rijksoverheid.nl/onderwerpen/internationale-vrede-en-veiligheid/sancties>

debate on the foreign affairs budget in December 1997, the government presented its policy memorandum on greater transparency in the reporting procedure on exports of military goods to the House of Representatives in February 1998 (Parliamentary Papers, 22 054, no. 30). The present report concerning 2016 is the 20th public report on this subject to have appeared since that time. It is based on the value of the licences issued by category of military goods and by country of final destination. To further enhance the transparency of the figures, the categories of goods are specified for each country of destination. This report also contains information about instances where the Netherlands has refused to issue a licence (see annexe 6).

In addition to the present report on Dutch exports of military goods in 2016, information on Dutch arms export policy is also available through other sources. For instance, the CDIU has published a [User Guide on Strategic Goods and Services](#) online. This user guide is designed for individuals, companies and organisations with a professional interest in the procedures governing the import and export of strategic goods. It contains information on the relevant policy objectives and statutory provisions and procedures, as well as a wealth of practical information. The user guide, which is regularly updated in the light of national and international developments, is thus a valuable tool for increasing awareness of this specific policy area.

The government's internet portal also contains other information on the export and transit of strategic goods, such as the present annual report, important information on all licences issued for the export of military goods and monthly summaries containing key data on the transit of military goods through Dutch territory. These data are derived from notifications submitted to the CDIU under the reporting requirement for such transit shipments. The portal also contains monthly summaries of all licences issued for military goods and all licences issued for dual-use goods. As in recent years, data on transit licences issued have been included in the present report (Annexe 5). Since the 1990s more and more countries have been publishing public annual reports,<sup>8</sup> but the Netherlands is still at the forefront when it comes to transparency. The Small Arms Trade Transparency Barometer 2016 lists the Netherlands in third place and gives it the highest score of any country in the category 'comprehensiveness' (scope of reports, including transit, temporary export etc.).

Since 2012, the government has notified the House of Representatives about new licences for the permanent export of complete systems worth over €2 million to countries other than Australia, Japan, New Zealand, Switzerland and EU or NATO member states within two weeks of deciding to issue them. These notifications, which may or may not be confidential, are accompanied by an explanatory note. This occurred on four occasions during the year under review, 2016. The relevant letters appear in Annexe 8.

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<sup>8</sup> SIPRI Yearbook 2015.

## 6. Dutch arms exports in 2016

# Arms export licences 2016

In 2016, arms export licences were issued with a total value of €1,416.4 million.

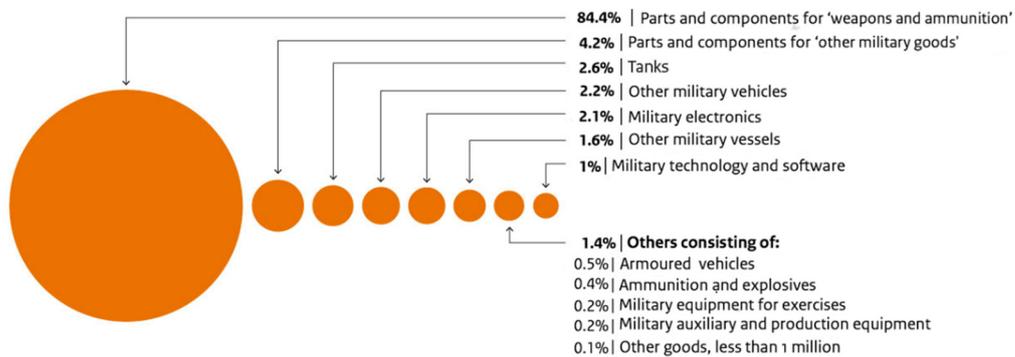
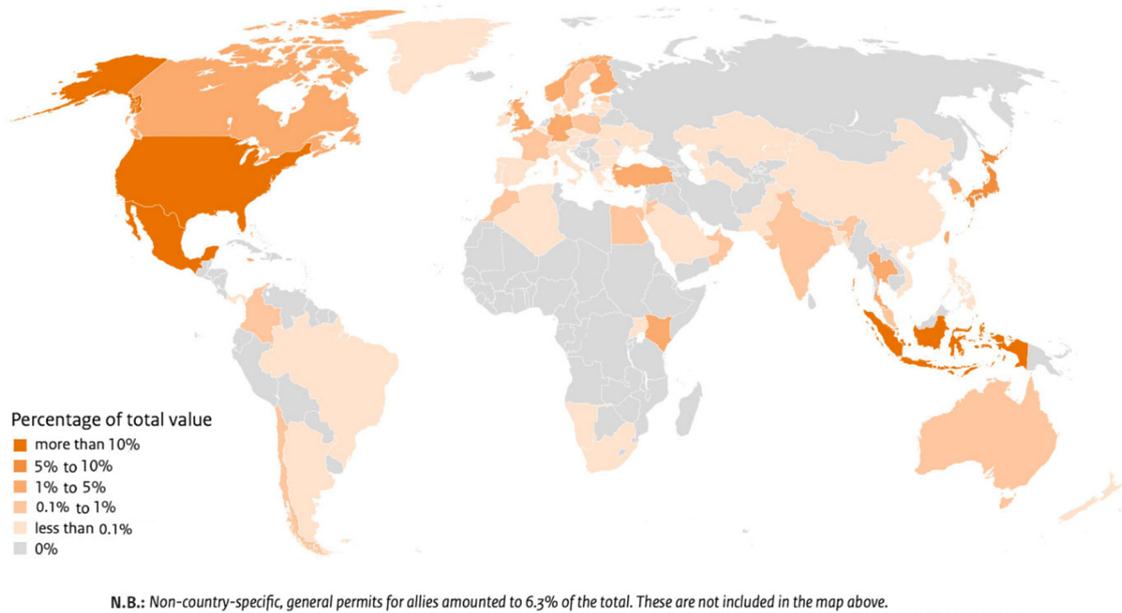


Figure 1, Overview of licences issued, broken down by final destination and type of good

The total value of licences issued in 2016 was €1,416.38 million (rounded to two decimal places). This is approximately half a billion euros more than the previous year, when the figure was €872.60 million. The following table provides a regional breakdown of licences issued in 2016.

Table 2, Regional breakdown of licences issued

| Region                            | Value of licences issued (in € millions) | Share of total (%) |
|-----------------------------------|--|--------------------|
| North Africa                      | 11.28                                    | 0.80%              |
| Sub-Saharan Africa                | 17.19                                    | 1.21%              |
| North America                     | 248.29                                   | 17.53%             |
| Central America and the Caribbean | 358.37                                   | 25.30%             |
| South America                     | 17.19                                    | 1.21%              |
| Central Asia                      | 0.43                                     | 0.03%              |
| Northeast Asia                    | 202.64                                   | 14.31%             |
| Southeast Asia                    | 269.41                                   | 19.02%             |
| South Asia                        | 6.88                                     | 0.49%              |
| European Union                    | 124.74                                   | 8.81%              |
| Other European countries          | 33.82                                    | 2.39%              |
| Middle East                       | 28.65                                    | 2.02%              |
| Oceania                           | 8.04                                     | 0.57%              |
|                                   |  |                    |
| Other EU/NATO+                    | 89.42                                    | 6.31%              |
| < 10,000                          | 0.03                                     | 0.00%              |
| <b>Total</b>                      | <b>1,416.38</b>                          | <b>100.00%</b>     |

The breakdown into regions in this table is the same as in the EU's annual reports on arms export control, which can be found on the EU website.

Among the top-five countries of final destination in terms of total export licence values, Mexico ranks first with a value of over €330 million. This is accounted for by the main modules (propulsion machinery, bridge and operations room) of a large patrol vessel for the Mexican navy which will be assembled in Mexico. In second place is Indonesia (over €220 million), an amount also accounted for by parts, sensors, weapons systems and command systems for naval ships. The US ranks third (over €213 million); most of these licences relate to deliveries to military aircraft manufacturers. Fourth is Japan (almost €140 million), an amount which is almost entirely the result of two licences for the export of parts for F-35 fighters. Japan is one of three locations – along with the US and Italy – where the final

assembly of F-35s takes place. In fifth place is the EU/NAVO+ (over €89 million). This includes general licences which allow the supply of components for – mainly – military aircraft and military vehicles to several allied countries, in particular EU member states, NATO allies, Australia, Japan, New Zealand and Switzerland.

As is often the case, the Netherlands' export of military goods in 2016 consisted mainly of components. Nevertheless, licences were also issued for system deliveries to non-allied countries, namely patrol vessels for the Jamaican coastguard (over €23 million) and the sale to the Jordanian armed forces of surplus armoured tracked vehicles capable of striking aerial targets (over €6 million). The House of Representatives was informed of these system deliveries through the accelerated notification procedure. This was also the case for licences for a radar and C3 system for the Thai navy (almost €33 million) and for sensors, weapons systems and command systems for the Indonesian navy (over €196 million). These letters were delayed somewhat, however, as it was not initially clear that these orders concerned system deliveries. The relevant letters appear in Annexe 8.

The total value of export licences for military goods accounted for just under 0.33% of the total value of Dutch exports in 2016 (€433.55 billion). To put this percentage in an international perspective, it is important to note that both the Dutch private sector and the Dutch government are subject to mandatory licensing for the export of military goods. Only the equipment of Dutch military units that is sent abroad for exercises or international operations is exempt from mandatory export licensing. Unlike in some other countries, the sale of surplus defence equipment to third countries is thus included in the figures for the Netherlands.

## **7. EU cooperation**

EU cooperation on export controls for conventional weapons takes place mainly in the Council Working Party on Conventional Arms Exports (COARM). Representatives of the Ministry of Foreign Affairs participate in COARM meetings on behalf of the Netherlands. In COARM, member states share information on their arms export policies in the framework of the EU's Common Security and Defence Policy (CSDP) and seek to better coordinate those policies and the relevant procedures. In so doing, they promote policy harmonisation and work towards creating a level playing field. The above-mentioned activities are based on Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, which was adopted by the Council on 8 December 2008.<sup>9</sup>

The COARM meetings in 2016 focused chiefly on preparations for the second Conference of States Parties (Geneva, 22-26 August) to the UN Arms Trade Treaty. In addition, as in previous years, COARM discussed several specific destinations, with the Netherlands actively contributing to the exchange of information and thus to a more focused export policy. The Netherlands made use of its EU Presidency in the first half of 2016 to stress the importance of a restrictive arms export policy with regard to the countries involved in the Saudi-led coalition in the conflict in Yemen.

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<sup>9</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:nl:PDF>

In 2016 the Netherlands continued to push for further harmonisation between EU member states as regards the implementation of arms export policy. In that spirit, the government drew up a list of the various transit rules maintained by the member states. Yet the other states were unwilling to discuss the matter further or take steps towards harmonisation.

Greater transparency between member states with regard to licence denials is part of this process, as are efforts to promote the sharing of information on licences issued in respect of certain sensitive destinations. In that connection the Netherlands again called for adding a functionality to the online EU denial system (for military goods and dual-use goods with a military end use), which would facilitate voluntary information sharing on sensitive final destinations.

The Netherlands is pleased that since the second half of 2016 consultations on denials can take place via the online EU denial system, instead of via the diplomatic messaging channels.<sup>10</sup> The EU denial database is expected to make it easier for member states to consult each other and respond to consultations.

## **8. The EU annual report for the year 2015**

On 16 May 2017 the EU published its 18th annual report,<sup>11</sup> which provides an overview of the subjects discussed in COARM. The report also contains detailed statistical data on exports of military equipment by the EU member states in 2015.<sup>12</sup> The Netherlands regrets the late publication of the report, and this year it will again do its utmost to ensure earlier publication.

For each country of destination, the report provides information on the exporting country, the number and value of licences issued and licence denials. The information is arranged according to the categories of the Common Military List and is also set out per region and worldwide.

Since exports in support of international missions (UN missions) in embargoed countries often raise questions, the report includes separate tables summarising exports to such missions. Finally, it lists the number of brokering licences issued and denied and the number of consultations initiated and received by EU partners.

In 2015 the total value of export licences issued by EU member states was €195.95 billion. France was the largest exporter, accounting for €151.6 billion. It should be noted, however, that France changed its licensing system in 2014, as a result of which licences for *potential* orders are now also included in the total. Consequently, this figure is most likely an overestimate. The true contract value (i.e. the comparable figure for which licences are issued in the Netherlands) is undoubtedly lower.

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<sup>10</sup> *Background* EU member states are required to consult each other when one state is processing an application similar to one that another EU member state has already denied.

<sup>11</sup> [http://eur-lex.europa.eu/legal-content/NL/TXT/PDF/?uri=CELEX:52017XG0516\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/NL/TXT/PDF/?uri=CELEX:52017XG0516(01)&from=EN)

<sup>12</sup> Unlike this report, the EU report does not cover 2016.

The Netherlands was in 11th place in the EU, with an export licence value of €873 million. The following table lists the total value of licences issued in 2015 by country, as well as each country's share of the total. It should be noted that there is no data available for Greece.

*Table 3, European arms exports in 2015*

| <b>Country</b>         | <b>Value of licenses issued</b> | <b>Share of total (%)</b> |
|------------------------|---------------------------------|---------------------------|
| France                 | €151,584,686,524                | 77.37%                    |
| Spain                  | €10,676,904,995                 | 5.45%                     |
| United Kingdom         | €8,018,711,355                  | 4.09%                     |
| Italy                  | €7,882,567,507                  | 4.02%                     |
| Germany                | €7,858,766,860                  | 4.01%                     |
| Bulgaria               | €1,401,884,522                  | 0.72%                     |
| Hungary                | €1,283,486,192                  | 0.66%                     |
| Poland                 | €1,268,685,870                  | 0.65%                     |
| Belgium                | €1,115,062,541                  | 0.57%                     |
| Austria                | €1,083,655,373                  | 0.55%                     |
| <b>The Netherlands</b> | €872,599,946                    | 0.45%                     |
| Czech Republic         | €741,559,464                    | 0.38%                     |
| Sweden                 | €563,829,440                    | 0.29%                     |
| Croatia                | €382,152,797                    | 0.20%                     |
| Finland                | €361,374,731                    | 0.18%                     |
| Slovakia               | €283,164,809                    | 0.14%                     |
| Romania                | €220,411,979                    | 0.11%                     |
| Denmark                | €133,638,044                    | 0.07%                     |
| Portugal               | €67,970,064                     | 0.03%                     |
| Lithuania              | €58,874,339                     | 0.03%                     |
| Ireland                | €42,626,471                     | 0.02%                     |
| Slovenia               | €31,331,223                     | 0.02%                     |
| Estonia                | €13,970,840                     | 0.01%                     |
| Malta                  | €2,485,865                      | 0.00%                     |
| Latvia                 | €565,606                        | 0.00%                     |
| Cyprus                 | €0                              | 0.00%                     |
| Luxembourg             | €0                              | 0.00%                     |
| <b>Total</b>           | <b>€195,950,967,357</b>         | <b>100.00%</b>            |

The EU's annual report further indicates that member states issued a total of 44,078 licences and that 433 licence applications were denied and reported. The number of licence denials is higher than the average of previous years (2014: 346, 2013: 300, 2012: 408, 2011: 402, 2010: 400,

2009: 406, 2008: 329, 2007: 425). There were a total of 140 consultations between EU member states regarding licence denials.

In 2015 the Netherlands was involved in a total of eight consultations. Five of these were initiated by the Netherlands, and on three occasions the Netherlands was consulted by other member states.

## 9. The Wassenaar Arrangement

At the broader multilateral level, developments in the field of arms exports are discussed in the framework of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA). In the year under review, 41 countries, including the United States, Russia and all EU member states with the exception of Cyprus, participated in this forum, which owes its name to the town where the negotiations to establish the arrangement were conducted, under the chairmanship of the Netherlands.<sup>13</sup> It is estimated that these countries jointly account for over 90% of global military exports.

The aim of the WA, as stated in the 'Initial Elements',<sup>14</sup> is to contribute to regional and international security and stability. This is achieved through regular information sharing on the export to third countries of arms and goods that can be used for military ends. The ultimate goal is to promote greater knowledge and a stronger sense of responsibility in the national assessment of licence applications for the export of such goods. After all, more information will enable the participating states to assess more accurately whether the build-up of military resources is having a destabilising effect in certain countries or regions. If so, they should exercise greater restraint when considering licence applications for these destinations.

The Wassenaar Arrangement maintains both a list of dual-use goods that applies to the Netherlands on the basis of the EU Dual-Use Regulation and a list of military goods that are to be subject to export controls. Any revision of the WA list results in the amendment of the EU Common Military List and the control list of the EU Dual-Use Regulation. As regards Dutch export controls on military goods, the Strategic Goods Implementing Regulations refer directly to the most recent EU Common Military List. The same applies to export controls on dual-use goods.

In line with its mandate and with a view to ensuring effectiveness and support, the Expert Group of the Wassenaar Arrangement continued its regular consultation in 2016 on updating the list of controlled military and dual-use goods. The group discussed including various emerging technologies with military potential and the removal of technologies that are either no longer critical or widely available. 'Scope-neutral interpretations' of control texts were also discussed.

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<sup>13</sup> In 2016 only Cyprus was not yet a member due to Turkish objections.

<sup>14</sup> The 'Initial Elements' can be consulted on the website of the Wassenaar Arrangement, at <http://www.wassenaar.org>.

In December 2016 the results – various changes across the controlled categories – were put to the Plenary Meeting, which adopted them. Some of the issues discussed proved relevant, but at this stage did not lead to consensus in the Export Group.

In 2016 the Netherlands also put forward a proposal to facilitate information sharing between the participating states on cases of fraud regarding end-use statements. At the General Working Group meeting in October 2016, many countries welcomed the Dutch proposal, though a number of others expressed a wish to study it further.

Further information on the best practice guidelines, the WA's principles and goals and current developments is available on the WA's website at: <http://www.wassenaar.org>. This website also grants access to the organisation's public documents.

## **10. Export controls on dual-use goods**

This section briefly examines the key developments in the relevant export control regimes and the EU Council Working Party on Dual-Use Goods.

### **Council Working Party on Dual-Use Goods**

On 28 September 2016 the European Commission published a proposal on amending the Dual-Use Regulation. Shortly thereafter, the Council Working Party on Dual-Use Goods opened discussions on the proposal. In December an expert review forum was held to discuss concerns and problems related to the changes suggested in the proposal. The forum, which was chaired jointly by the Commission and the Slovak Presidency, was attended by various stakeholders.

On 11 November 2016 the new goods annexe to the Dual-Use Regulation was published in the Official Journal of the European Union. The individual export control regimes are responsible for maintaining their own goods lists, which are then combined by the European Commission to form Annex I to the Regulation.

The Netherlands supports the thinking behind the Commission's proposal to modernise the Dual-Use Regulation. The Netherlands is committed to achieving further harmonisation, with a view to promoting a level playing field, greater transparency (via the reporting system) and human rights as part of the assessment framework for export controls, including controls on cyber surveillance equipment. We are taking a critical look at the proposal's practicability, disruptions to the global level playing field and the administrative burden for both the public and private sectors.

### **Nuclear Suppliers Group**

At its plenary meeting in Seoul, South Korea, in June 2016, the Nuclear Suppliers Group (NSG), a body aimed at the non-proliferation of nuclear weapons, discussed matters including the membership requests from India and Pakistan and nuclear cooperation between China and Pakistan. In May 2016 India submitted an application for membership of

the NSG in the hope of a swift accession. However, a number of member states first wanted to conduct an internal discussion on accession requirements for countries that are not party to the Non-Proliferation Treaty. This discussion will continue in 2017. A number of countries, including the Netherlands, are in favour of Indian membership of the NSG, but the Netherlands has also expressed its wish to see India demonstrate its commitment to the principles of non-proliferation. Many members, including the EU, raised questions during the plenary session about the nuclear cooperation between China and Pakistan. The Chinese delegation stated its intention to continue its collaboration with Pakistan within the framework of a bilateral treaty, which predates China's accession to the NSG. The Chinese argument is that the (non-binding) NSG guidelines would not have the effect of terminating this treaty.

As at the 2015 plenary session, the subject of adherence was also on the agenda. Adherence means that a non-member implements the NSG guidelines unilaterally. A country cannot derive any rights from such a unilateral decision – this would require agreements with the NSG – but the NSG does acknowledge that adherents require information in order to correctly implement the NSG guidelines, for instance on updates of control lists. Various forms of outreach can be useful in this respect, for instance briefing adherents after NSG meetings or holding individual meetings with the chair or with the troika (previous, incumbent and next chair). All members consider it important to encourage supplier states to declare themselves adherents. Many members are reticent, however, about encouraging adherents by giving them special rights, because 'adherence' makes no distinction between intent and compliance.

The NSG also discussed the concept of *de minimis* (small quantities of materials that the NSG should not have to be concerned about) and drew up a table of various materials which in small quantities cannot be used to manufacture nuclear weapons. At the Netherlands' urging, it was confirmed that this table is intended only for decisions on licences and not for updating the control lists.

### **Australia Group**

The Australia Group (AG), which seeks to prevent the proliferation of chemical and biological weapons, met twice in 2016, once in Brussels and once in Paris. At the plenary session in Paris it was decided to expand the focus on knowledge and technology that can be used to produce chemical and biological weapons. Members are expected to share information about their approaches with regard to unwanted transfer of technology, the financing of proliferation and the acquisition of unlisted goods with a view to proliferation. The member states also decided to expand their outreach activities to non-member states and relevant international forums in order to raise awareness of the threat posed by both state and non-state actors with regard to chemical and biological weapons. The AG has made a number of technical changes to its control list. These changes are detailed on the group's website.

It was also decided that outreach activities to non-member states should be expanded to include awareness raising within industry and academia. One element of the outreach programme is a dialogue with Latin American countries in the first half of 2017.

The AG has explicitly expressed its support for both the Chemical Weapons Convention and the Biological Weapons Convention. The AG encourages countries to sign the latter Convention and at the Eighth Review Conference (November 2016) it called for the Convention to be further strengthened and its implementation to be enhanced.

The body has also expressed its sincere concern about the deployment of chemical weapons in Syria and Iraq. It has urged Syria to cooperate in the full destruction of its stocks of chemical weapons and to resolve any unclear points in its statement to the OPCW. North Korea's actions with regard to chemical and biological weapons also remain troubling. The AG has emphasised the importance of full compliance with the restrictions on the export of goods listed in UN Security Council resolutions. Finally, the AG will continue to try to improve its own working methods, paying due attention to the recommendations of the Wilton Park Conference of 2015.

### **Missile Technology Control Regime (MTCR)**

The Missile Technology Control Regime (MTCR) combats the proliferation of delivery systems for weapons of mass destruction, such as ballistic missiles, unmanned aerial vehicles and cruise missiles. Its members pursue a common line of policy and maintain a jointly agreed control list of goods that are subject to export controls. The list, which is also known as the Annex, is reviewed regularly, most recently in October 2016. The Annex, which is the global standard when it comes to export controls for missile technology, was recently presented for the first time to the UN Security Council by the MTCR chair. When it comes to the export of these sensitive goods, it is vital for the international community to be on the same page as much as possible. Whereas previously the MTCR focused almost exclusively on state missile programmes, it is now turning its attention to the growing threat posed by terrorist organisations like ISIS.

The previous co-chairs, Luxembourg and the Netherlands, handed over the chairmanship of the organisation to South Korea in Busan in October 2016. Luxembourg and the Netherlands enjoyed a number of successes during their term. India joined the organisation, the first time since 2004 that the MTCR welcomed a new member. Their term as co-chairs also saw the release of a significantly enhanced and more accessible public website ([www.mtcr.info](http://www.mtcr.info)). Interested parties can find information here on a variety of topics, including the active outreach programme that was carried out during the Dutch-Luxembourg chairmanship. Visits were made to a total of seven non-member states to inform them about the value and necessity of the MTCR. During their chairmanship, significant efforts were made to improve the MTCR's functioning and find new volunteers to chair the regime in the future. The Dutch-Luxembourg co-chairmanship attracted considerable international praise. The US delegation characterised the overview of activities presented by the chairmanship in Busan as the 'gold

standard' in this area.

For years the Netherlands has played an active role in a total of four international export control regimes for strategic goods (the AG, the MTCR, the NSG and the WA). All four regimes have addressed the issues of brokering and transit. Partly on the basis of UN Security Council resolution 1540, states must operate effective export controls, including controls on transit and brokering. The EU member states have already implemented their obligations in this regard by amending the 2009 EU Dual-Use Regulation. The regimes are also discussing the possible accession of new members and unilateral compliance with guidance documents and goods lists by non-partner countries.

## **11. Arms control**

There are various current issues in the area of arms control that are relevant to arms export policy.

### ***Cluster munitions***

On 23 February 2011 the Netherlands ratified the Convention on Cluster Munitions, which accordingly entered into force for our country on 1 August 2011. As of March 2017, 100 states are party to the convention and 19 other countries have signed but not yet ratified it. A ban prohibiting financial institutions from investing directly in cluster munitions has been in force in the Netherlands since 1 January 2013.<sup>15</sup>

The UN Secretary-General and the President of the International Committee of the Red Cross have described the convention as a new norm of international humanitarian law. The Dutch government endorses this view and is actively committed to the Convention. For instance, in 2016 the Netherlands chaired the Meeting of States Parties, which was held in Geneva from 5 to 7 September. At the meeting a political declaration agreeing 2030 as the deadline was adopted by consensus. The countries in question have pledged to be free of cluster munitions by then. The declaration also condemned the use of cluster munitions by any and all parties. After its term as chair ended, the Netherlands joined Norway as coordinator of clearance operations. The Netherlands will hold this position from September 2016 to the end of September 2018.

The Netherlands also endeavours to involve other countries in the Convention and help strengthen the norm of non-use of cluster munitions. It does this through the usual multilateral forums, including the UN General Assembly. At meetings of the parties to the Convention on Cluster Munitions, the Netherlands has condemned the use of cluster munitions in Syria and called the parties' attention to reports of the alleged use of cluster munitions in Libya, Ukraine, Sudan and Yemen.

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<sup>15</sup> <http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2012/03/21/kamerbrief-over-uitwerking-van-het-verbod-op-directe-investeringen-in-clustermunitie.html>

### ***Landmines***

The Netherlands' Humanitarian Mine Action and Cluster Munitions Programme 2012-2016 came to an end in June 2016. By means of a competitive tendering procedure, the Netherlands selected three partners – the Mines Advisory Group, the Halo Trust and Danish Church Aid – which will engage in demining activities in various countries over the next 13 years, namely Afghanistan, Colombia, the Democratic Republic of the Congo, Iraq, Kosovo, Lebanon, Libya, the Palestinian Territories, Mali, Somalia, South Sudan, Syria and Ukraine. In 2016 approximately €20 million was spent on demining projects worldwide by financing humanitarian demining NGOs and UNMAS. The Netherlands was one of the largest donors in this area.

It is also actively committed to the multilateral process. For example, the Netherlands was closely involved, as friend of the chair, in the Third Review Conference of the Anti-Personnel Mine Ban Convention (Ottawa Convention) in June 2014 in Maputo, Mozambique. At that conference the Netherlands played an important role in the negotiations on the agreement that all States Parties would comply with their obligations under the Convention by 2025.

A Committee on Cooperative Compliance was established at the conference, consisting of Algeria, Canada, Chile and the Netherlands. The committee's aim is to discuss with countries which do not comply with the Convention what specific steps they can take to improve their compliance. The Netherlands is currently also active in the committee on the enhancement of cooperation and assistance. Together with Switzerland, Mexico and Uganda, it is looking at how cooperation with countries can be enhanced with a view to achieving the implementation goals for 2025.

### ***Small arms and light weapons***

The Netherlands is strongly committed to preventing the uncontrolled spread of small arms and light weapons (SALW) and related ammunition. Its efforts are aimed at reducing the numbers of victims of armed violence, armed conflicts and gun crime and increasing security and stability. This is a prerequisite for sustainable development and the attainment of poverty reduction goals.

Tackling SALW-related problems is a key issue in the field of arms control. In recent years it has been dominated by multilateral efforts, on the one hand, and attempts to deal with these problems in the framework of more wide-ranging security projects focusing on civilian security, on the other.

These multilateral efforts have produced numerous international and regional agreements, such as the UN Programme of Action on small arms and light weapons (2001) and the Geneva Declaration on Armed Violence and Development (2006). In 2016 the Netherlands continued to contribute actively to their development and implementation. In doing so it

cooperated closely with local and regional NGOs and research institutes in such places as Libya, Central America and Somalia.

### ***UN Programme of Action***

The UN Programme of Action obliges states to pursue active policies in the field of SALW at national, regional and international level. This includes developing and implementing relevant legislation, the destruction and secure storage of surplus arms and ammunition, improved cooperation between states – for example in relation to marking and tracing illegal arms – and assisting and supporting countries and regions that lack the capacity to implement the measures set out in the programme.

### ***EU***

EU member states report annually on national activities aimed at implementing Council Joint Action 2002/589/CFSP on the European Union's contribution to combating the destabilising accumulation and spread of small arms and light weapons. These national reports and reports on relevant EU activities are combined in a joint annual report to which the Netherlands contributes every year. In the run-up to the Review Conference of the UN Programme of Action in June 2018, the Netherlands continues to highlight the importance of European cooperation in combating the uncontrolled spread of SALW.

### ***OSCE***

The Netherlands supports the approach of the Organization for Security and Co-operation in Europe (OSCE) to oppose the spread and accumulation of illegal SALW. It has committed itself to sharing information on this issue via the Programme of Action FSC.DEC/2/10.<sup>16</sup>

### ***UN Arms Trade Treaty***

A crucial element of the UN Arms Trade Treaty (ATT) is that states parties are required to set up an export control system for conventional arms. This should force countries around the world to make responsible decisions regarding the export of military goods that fall within the scope of the treaty. The treaty's assessment criteria are similar to several that already apply under the EU's Common Position on arms exports: compliance with international embargoes, no cooperation in violations of international humanitarian law, respect for human rights and mitigation of the risk of diversion of conventional arms to the illicit market or for unauthorised use.

The treaty was adopted by the UN General Assembly on 2 April 2013. It was opened for signature on 3 June 2013, at which time it was signed by the Netherlands and 66 other UN member states. On 25 September 2014 the 50 required ratifications were reached, and the treaty consequently entered into force three months later, on 24 December 2014. Given that the Senate approved the treaty on 9 December 2014, and the Netherlands submitted the instrument of ratification before 24 December 2014, the Netherlands belongs to the first

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<sup>16</sup> <http://www.osce.org/fsc/68450>

group of countries for which the treaty entered into force. As of 15 May 2016, 130 countries had signed the ATT, 91 of which had also ratified it. (By way of comparison, as of 31 May 2015, the corresponding figures were 130 and 83.)

The Netherlands made an active contribution to the second Conference of States Parties on 22-26 August 2016 in Geneva, Switzerland. The Netherlands submitted its initial ATT report on 11 December 2015 and on 27 May 2016 it submitted the first ATT report on imports and exports in 2016. Both reports have been made available to the public on the ATT website.<sup>17</sup>

Lastly, in 2016 the Netherlands again made financial contributions to the ATT Baseline Assessment Project<sup>18</sup> and the ATT monitor.<sup>19</sup>

### ***Transparency in armaments and the UN Register of Conventional Arms***

Every year, the UN Register of Conventional Arms, which was established in 1991 at the initiative of the Netherlands and several other countries, provides information on the countries of export, transit (where relevant) and import of military goods, as well as on the volume of the flow of goods, which are divided into the following categories: I. battle tanks; II. armoured combat vehicles; III. large-calibre artillery systems; IV. combat aircraft; V. attack helicopters; VI. warships; and VII. missiles and missile launchers.

Since its inception, more than 170 countries, including the Netherlands, have at some time submitted reports to the register. This includes all the major arms-producing, -exporting and -importing countries. The ambition remains to achieve universal and consistent participation. The UN Register of Conventional Arms is an instrument that promotes transparency, thereby preventing excessive stockpiling of conventional weapons.

The United Nations Office for Disarmament Affairs (UNODA) is responsible for compiling the data submitted by the member states. In 2016 it received 45 national reports, nine fewer than in 2015. The effectiveness of the register stands or falls on universal participation. The Netherlands therefore considers it of great importance that countries submit their annual reports, even if these take the form of 'nil reports' because they did not import or export any goods in one or more of the above-mentioned categories during the year in question.

### ***UN-based legislative transparency***

From 2002 to 2004, during the UN General Assembly the Netherlands submitted a resolution on national legislation on transfer of arms, military equipment and dual-use goods and technology every year. From 2005 to 2013 it submitted the resolution every other year. The Netherlands most recently submitted the resolution in 2016. The resolution urges UN member states to share information on their national legislation in the field of arms exports.

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<sup>17</sup> <http://thearmstradetreaty.org/index.php/en/resources/reporting>

<sup>18</sup> <http://www.armstrade.info/>

<sup>19</sup> <http://controlarms.org/en/att-monitor-report/>

In the framework of the resolution an electronic UN database has been established to store and provide easy access to legislative texts and other information shared by the participating states. It currently contains contributions from 65 countries, including the Netherlands. Now that the ATT has entered into force, the UNODA database is initially complementary to the treaty, though as more countries become party to the ATT, the UNODA database will decline in importance.

## Annexe 1 Licences issued for the export of military goods

Overview of the value of licences issued in 2016 for the permanent export of military goods by category of goods and by country of final destination.

### Methodology

The values reported below are based on the value of the licences for the permanent export of military goods issued during the period under review. The licence value represents the maximum export value, although this may not necessarily correspond to the value of the exports actually realised at the time of publication. Licences for temporary export have been disregarded in these figures, on the grounds that they are subject to a requirement to reimport. These usually concern shipments for demonstration or exhibition purposes. On the other hand, licences for trial or sample shipments are included in the figures because they are not subject to this requirement due to the nature of the exported goods. Licences for goods that are returned abroad following repair in the Netherlands are similarly not included in the reported figures. In such cases, however, the goods must have been part of a prior shipment from the Netherlands, whose value will therefore have been reflected in a previous report. Without these precautions, the inclusion of such 'return following repair' licences would lead to duplication. Licences whose validity has been extended do not appear in the figures for the same reason. This also applies to licences that are replaced for reasons such as a recipient's change of address. However, if the value of the extension or replacement licence is higher than that of the original licence, the surplus will obviously be reported.

For the purpose of classifying licence values for individual transactions by category of military goods, it was necessary in many cases to record additional spare parts and installation costs as part of the value of the complete system. Licence values for the initial delivery of a system are often based on the value of the contract, which may also cover such elements as installation and a number of spare parts. The value of licences for the subsequent delivery of components is included in categories A10 and B10. Finally, for the purpose of classifying licence values by category of military goods, a choice had to be made regarding the classification of subsystems. It was decided to differentiate according to the extent to which a subsystem could be regarded as being stand-alone or multifunctional. This has a particular bearing on the classification of export licences for military electronics. If such a product is suitable solely for maritime applications, for example, the associated subsystems and their components appear in category A10, as components for category A6 (warships). However, if such a product is not obviously connected to one of the first seven subcategories of main category A, the associated subsystems and their components appear in subcategory B4 or B10.

Table 4, Value (in € millions) of licences issued for the permanent export of military goods in 2016

| <b>Category A: 'Arms and munitions'</b>                         | <b>Value (in € millions)</b> |
|---|------------------------------|
| 1. Tanks  | 37.44                        |
| 2. Armoured vehicles  | 7.64                         |
| 3. Large-calibre weapons (> 12.7 mm)                            | 0.01                         |
| 4. Fighter aircraft   | -                            |
| 5. Attack helicopters   | -                            |
| 6. Warships   | -                            |
| 7. Guided missiles  | 0.83                         |
| 8. Small calibre weapons (≤ 12.7 mm)                            | 0.71                         |
| 9. Ammunition and explosives                                    | 6.07                         |
| 10. Parts and components for 'Arms and munitions' <sup>20</sup> | 1195.65                      |
| <b>Total for Category A</b>                                     | <b>1,248.35</b>              |

| <b>Category B 'Other military goods'</b>                          | <b>Value (in € millions)</b> |
|---|------------------------------|
| 1. Other military vehicles  | 32.25                        |
| 2. Other military aircraft and helicopters                        | -                            |
| 3. Other military vessels   | 23.52                        |
| 4. Military electronics   | 30.32                        |
| 5. ABC substances for military use                                | 0.03                         |
| 6. Equipment for military exercises                               | 3.58                         |
| 7. Armour-plating and protective products                         | 0.36                         |
| 8. Military auxiliary and production equipment                    | 3.44                         |
| 9. Military technology and software                               | 14.54                        |
| 10. Parts and components for 'Other military goods' <sup>21</sup> | 59.99                        |
| <b>Total for Category B</b>                                       | <b>168.03</b>                |
| <b>Total for Category A &amp; B</b>                               | <b>1,416.38</b>              |

<sup>20</sup> As usual, subcategory A10 (Parts and components for 'Arms and munitions') primarily concerns the supply of components for fighter aircraft and attack helicopters to the manufacturers of such systems in the United States, and the supply of components for tanks and other military combat vehicles to the German manufacturer of such systems. This year two licences issued with a total value of over €139 million for parts for F-35 fighters for Japan were classed as subcategory A10, a subcategory that also included licences relating to parts (components, modules) for naval ships for Indonesia (€220.5 million) and Mexico (€330.0 million).

<sup>21</sup> During the period under review, subcategory B10 (Parts and components for 'Other military goods') once again encompasses a large number of smaller shipments of electronic parts for military systems and parts for military aircraft and vehicles.

Table 5, Value (in € millions) of licences issued for the permanent export of military goods in 2016

| <b>Total for 2016 (in € millions)</b> |               |                     |               |                     |              |
|---------------------------------------|---------------|---------------------|---------------|---------------------|--------------|
| <b>Country of destination</b>         | <b>Cat. A</b> | <b>Breakdown</b>    | <b>Cat. B</b> | <b>Breakdown</b>    | <b>Total</b> |
| <b>Algeria</b>                        | 0.11          | A10                 | 1.17          | B1, B9, B10         | 1.28         |
| <b>Argentina</b>                      | 1.00          | A10                 | -             | -                   | 1.00         |
| <b>Australia</b>                      | 4.23          | A8, A9, A10         | 3.81          | B4, B6, B9, B10     | 8.04         |
| <b>Bahamas</b>                        | 4.75          | A10                 | 0.08          | B10                 | 4.83         |
| <b>Bangladesh</b>                     | 0.10          | A10                 | 0.07          | B10                 | 0.17         |
| <b>Belgium</b>                        | -             | -                   | 0.15          | B9                  | 0.15         |
| <b>Bonaire, St Eustatius and Saba</b> | 0.05          | A8, A9, A10         | -             | -                   | 0.05         |
| <b>Brazil</b>                         | -             | -                   | 0.01          | B10                 | 0.01         |
| <b>Brunei Darussalam</b>              | -             | -                   | 0.10          | B10                 | 0.10         |
| <b>Bulgaria</b>                       | -             | -                   | 0.04          | B9                  | 0.04         |
| <b>Canada</b>                         | 34.08         | A8, A9, A10         | 0.54          | B4, B9, B10         | 34.62        |
| <b>Chile</b>                          | 10.85         | A10                 | 0.23          | B1, B9              | 11.08        |
| <b>China</b>                          | -             | -                   | 0.70          | B10                 | 0.70         |
| <b>Colombia</b>                       | 1.53          | A10                 | 3.57          | B10                 | 5.10         |
| <b>Curaçao</b>                        | 0.02          | A8, A9              | -             | -                   | 0.02         |
| <b>Czech Republic</b>                 | 0.26          | A1, A8, A9          | 0.16          | B10                 | 0.42         |
| <b>Denmark</b>                        | 1.35          | A7, A8, A9, A10     | -             | -                   | 1.35         |
| <b>Egypt</b>                          | 4.26          | A10                 | 0.68          | B10                 | 4.94         |
| <b>Estonia</b>                        | 0.07          | A10                 | 2.39          | B1, B4, B7          | 2.46         |
| <b>Finland</b>                        | 37.33         | A1, A8, A10         | 4.36          | B1                  | 41.69        |
| <b>France</b>                         | 0.24          | A2, A3, A8, A9, A10 | 6.95          | B4, B8, B9, B10     | 7.19         |
| <b>Germany</b>                        | 23.81         | A8, A9, A10         | 20.39         | B1, B5, B8, B9, B10 | 44.20        |
| <b>Greece</b>                         | 0.26          | A9, A10             | 0.02          | B1, B10             | 0.28         |
| <b>India</b>                          | 3.99          | A10                 | 2.09          | B9, B10             | 6.08         |
| <b>Indonesia</b>                      | 220.48        | A10                 | 0.04          | B10                 | 220.52       |
| <b>Israel</b>                         | 0.44          | A10                 | 0.15          | B7, B9, B10         | 0.59         |
| <b>Italy</b>                          | 0.02          | A8, A9, A10         | 0.21          | B8, B10             | 0.23         |
| <b>Jamaica</b>                        | -             | -                   | 23.43         | B3                  | 23.43        |
| <b>Japan</b>                          | 139.99        | A10                 | -             | -                   | 139.99       |
| <b>Jordan</b>                         | 7.63          | A2                  | 1.60          | B1, B7              | 9.23         |
| <b>Kazakhstan</b>                     | -             | -                   | 0.03          | B7                  | 0.03         |
| <b>Kenya</b>                          | 16.10         | A10                 | -             | -                   | 16.10        |
| <b>Latvia</b>                         | 0.02          | A10                 | -             | -                   | 0.02         |
| <b>Lithuania</b>                      | 0.01          | A8, A10             | 0.66          | B1                  | 0.67         |
| <b>Malaysia</b>                       | 10.11         | A10                 | 1.20          | B4, B10             | 11.31        |
| <b>Mexico</b>                         | 330.00        | A10                 | 0.02          | B4, B10             | 330.02       |

|   |                 |                     |               |                         |                 |
|---|-----------------|---------------------|---------------|-------------------------|-----------------|
| <b>Morocco</b>  | 10.00           | A10                 | -             | -                       | 10.00           |
| <b>Norway</b>   | 5.70            | A8, A9, A10         | 10.64         | B4, B10                 | 16.34           |
| <b>Oman</b>   | 6.00            | A10                 | 4.36          | B4, B8, B10             | 10.36           |
| <b>Pakistan</b>   | -               | -                   | 0.63          | B10                     | 0.63            |
| <b>Panama</b>   | -               | -                   | 0.09          | B3                      | 0.09            |
| <b>Philippines</b>  | -               | -                   | 0.11          | B7, B10                 | 0.11            |
| <b>Poland</b>   | 4.04            | A8, A9, A10         | 4.00          | B1, B10                 | 8.04            |
| <b>Portugal</b>   | -               | -                   | 0.25          | B6, B10                 | 0.25            |
| <b>Qatar</b>  | -               | -                   | 0.03          | B10                     | 0.03            |
| <b>Saudi Arabia</b>   | 0.02            | A10                 | -             | -                       | 0.02            |
| <b>Singapore</b>  | 0.27            | A10                 | 2.15          | B4, B7, B10             | 2.42            |
| <b>Spain</b>  | 1.08            | A8, A10             | 0.12          | B9, B10                 | 1.20            |
| <b>St Maarten</b>   | -               | -                   | 0.03          | B7                      | 0.03            |
| <b>South Africa</b>   | 0.93            | A10                 | 0.13          | B7, B9                  | 1.06            |
| <b>South Korea</b>  | 29.21           | A10                 | 9.53          | B7, B8, B9, B10         | 38.74           |
| <b>Sweden</b>   | 1.39            | A8, A9, A10         | 0.04          | B8, B10                 | 1.43            |
| <b>Switzerland</b>  | 0.12            | A8, A9, A10         | 0.68          | B7, B9, B10             | 0.80            |
| <b>Taiwan</b>   | 16.21           | A10                 | 7.00          | B9                      | 23.21           |
| <b>Thailand</b>   | 33.95           | A10                 | 0.79          | B4, B9, B10             | 34.74           |
| <b>Turkey</b>   | 0.35            | A10                 | 15.95         | B7, B8, B9, B10         | 16.30           |
| <b>Turkmenistan</b>   | 0.40            | A10                 | -             | -                       | 0.40            |
| <b>Uganda</b>   | -               | -                   | 0.03          | B7                      | 0.03            |
| <b>Ukraine</b>  | -               | -                   | 0.38          | B5, B10                 | 0.38            |
| <b>United Arab Emirates</b>   | 2.09            | A10                 | 1.39          | B7, B10                 | 3.48            |
| <b>United Kingdom</b>   | 10.15           | A8, A9, A10         | 4.87          | B4, B5, B6, B8, B9, B10 | 15.02           |
| <b>United States of America</b>   | 197.74          | A1, A3, A8, A9, A10 | 15.93         | B4, B6, B7, B8, B9, B10 | 213.67          |
| <b>Vietnam</b>  | -               | -                   | 0.21          | B9                      | 0.21            |
| <b>EU/NATO+<sup>22</sup></b>  | 75.58           | A10                 | 13.84         | B4, B7, B9, B10         | 89.42           |
| <b>Countries with export licence values below €10,000:<sup>23</sup></b>       |                 |                     |               |                         |                 |
| <b>Austria, Ireland, Namibia, New Zealand, Romania, Slovakia and Slovenia</b> | 0.03            | A8, A9, A10         | -             | -                       | 0.03            |
| <b>Total</b>  | <b>1,248.35</b> |                     | <b>168.03</b> |                         | <b>1,416.38</b> |

<sup>22</sup> The heading 'EU/NATO+' generally relates to export licences for components falling under subcategory A10 for which various EU member states, NATO members (excluding Turkey), or Australia, Japan, New Zealand or Switzerland qualify as countries of final destination. In practice, such licences are used to supply components to manufacturers that want to be able to supply from stock to the NATO customers listed as end users on the licence.

<sup>23</sup> In the Netherlands the export of pistols and rifles for sport or hunting is also subject to mandatory licensing. If they are scheduled to remain abroad for an extended period, such firearms require a permanent export licence, even if they are accompanied by the owner. Some of the exports to countries of destination listed in the table as accounting for total export licence values below €10,000 involve transactions of this nature.

## Annexe 2 Dutch arms exports in 2007-2016

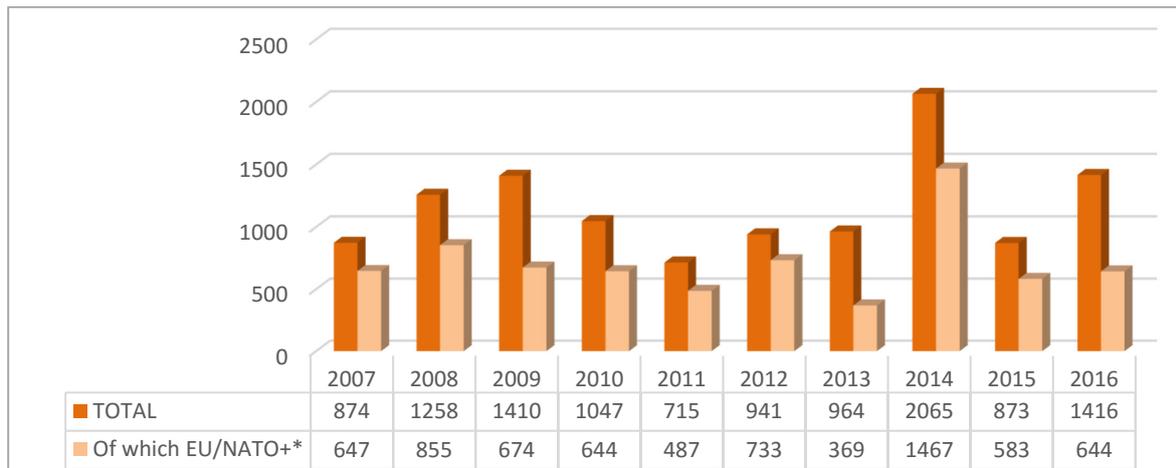


Figure 2, Value of licences issued, in € millions per year

\* From the 2015 report onwards, in the table giving the value of licences issued for the permanent export of military goods by country of destination, the heading 'NATO other' has been replaced by the heading 'EU/NATO+' for the purpose of showing the value of global licences. As of 2015, therefore, in this diagram 'Of which NATO' should be read as 'Of which EU/NATO+'. In 2016 the following 28 countries were members of NATO: Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom and United States. From 2015, this heading also includes the values for Australia, Finland, Ireland, Japan, New Zealand, Sweden and Switzerland.

### Annexe 3 Licences greater than €2 million for dual-use goods

Table 6, Overview of export licences worth over €2 million issued in 2016 for dual-use goods intended for military end use

| Type of equipment <sup>24</sup>                      | Value (in € millions) <sup>25</sup> | Country of final destination | End user             |
|--|-------------------------------------|------------------------------|----------------------|
| n/a  | 0.00                                | n/a                          | n/a                  |
| <b>Total rounded-off value of licences concerned</b> |                                     |                              | <b>€0.00 million</b> |

In 2016 no licences worth over €2 million were issued for dual-use goods intended for military end use.

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<sup>24</sup> Applications for dual-use goods destined for the military, police or security services in the country of final destination are assessed against the eight criteria laid down in the EU's Common Position on arms exports.

<sup>25</sup> The amount shown represents the value of licences issued in 2016. Some of the goods in question were not actually delivered in 2016. Licence renewals are not reported here again.

## Annexe 4 Use of general transfer licences

Overview of the value of general transfer licences

NL003: Export to armed forces of EU member states

NL004: Export to certified recipients within the meaning of article 9 of Directive 2009/43/EC.

NL009: Export to parties belonging to the F-35 Lightning II programme.

*Table 7, Value of reported uses of general transfer licences for the permanent export of military goods in 2016 under NL003 (armed forces) per country of destination*

| Country of destination | Value (in € millions) | Breakdown          |
|------------------------|-----------------------|--------------------|
| <b>Austria</b>         | 0.03                  | ML10               |
| <b>Czech Republic</b>  | 0.43                  | ML5, 22            |
| <b>Denmark</b>         | 3.17                  | ML4, 5, 10, 11, 17 |
| <b>France</b>          | 9.47                  | ML1, 5, 11         |
| <b>Germany</b>         | 3.93                  | ML5, 10, 11        |
| <b>Greece</b>          | 0.90                  | ML5                |
| <b>Italy</b>           | 0.52                  | ML1, 5, 11         |
| <b>Poland</b>          | 2.49                  | ML5                |
| <b>Portugal</b>        | 0.14                  | ML1                |
| <b>Romania</b>         | 0.01                  | ML5                |
| <b>Sweden</b>          | 0.03                  | ML1, 11, 22        |
| <b>United Kingdom</b>  | 0.51                  | ML5                |
| <b>Total</b>           | <b>21.63</b>          |                    |

*Table 8, Value of reported uses of general transfer licences for the permanent export of military goods in 2016 under NL004 (certified recipients) per country of destination*

| Country of destination | Value (in € millions) | Breakdown                 |
|------------------------|-----------------------|---------------------------|
| <b>Belgium</b>         | 2.22                  | ML5, 6, 22                |
| <b>Denmark</b>         | 0.20                  | ML4, 17                   |
| <b>France</b>          | 5.74                  | ML1, 5, 10, 15            |
| <b>Germany</b>         | 12.45                 | ML5, 6, 9, 10, 11, 15, 22 |
| <b>Total</b>           | <b>20.61</b>          |                           |

*Table 9, Value of reported uses of general transfer licences for the permanent export of military goods in 2016 under NL009 (F-35 Lightning II) per country of destination*

| Country of destination | Value (in € millions) | Breakdown |
|------------------------|-----------------------|-----------|
| <b>Italy</b>           | 0.18                  | ML10      |
| <b>USA</b>             | 26.62                 | ML10      |
| <b>Total</b>           | <b>26.80</b>          |           |

## Annexe 5 Transit of Military Goods

Table 10, Value of licences issued in 2016 for the transit of military goods

| Country of destination | Category A<br>(€ millions) | Breakdown | Category B<br>(€ millions) | Breakdown | Total       |
|------------------------|----------------------------|-----------|----------------------------|-----------|-------------|
| <b>Belize</b>          | 0.11                       | A9        | -                          | -         | <b>0.11</b> |
| <b>Chile</b>           | 1.04                       | A9        | -                          | -         | <b>1.04</b> |
| <b>Curaçao</b>         | 0.01                       | A8        | -                          | -         | <b>0.01</b> |
| <b>Ecuador</b>         | 0.20                       | A9, A10   | -                          | -         | <b>0.20</b> |
| <b>India</b>           | -                          | -         | 0.15                       | B10       | <b>0.15</b> |
| <b>Iraq</b>            | -                          | -         | 3.52                       | B10       | <b>3.52</b> |
| <b>Jordan</b>          | 0.05                       | A9        | -                          | -         | <b>0.05</b> |
| <b>Oman</b>            | 0.18                       | A9        | 0.05                       | B4        | <b>0.23</b> |
| <b>Paraguay</b>        | 0.30                       | A9, A10   | -                          | -         | <b>0.30</b> |
| <b>Rwanda</b>          | -                          | -         | 0.13                       | B1        | <b>0.13</b> |
| <b>Singapore</b>       | 0.03                       | A8        | -                          | -         | <b>0.03</b> |
| <b>South Africa</b>    | 2.94                       | A3        | -                          | -         | <b>2.94</b> |
| <b>UAE</b>             | 0.26                       | A9        | -                          | -         | <b>0.26</b> |
| <b>Total</b>           | <b>5.12</b>                |           | <b>3.85</b>                |           | <b>8.97</b> |

## Annexe 6 Licence application denials

Licence application denials are also shared with EU partners in accordance with article 4 of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment (formerly the EU Code of Conduct on Arms Exports).

Table 11, Licence application denials in 2016

| Date of denial | Country of destination | Brief description                              | Recipient   | End user  | Reason refused      |
|----------------|------------------------|--|---|---|---------------------|
| 19/01/2016     | Suriname (transit)     | Handguns and parts                             | Suriname Shooting & Supplies N.V.                   | Suriname Shooting & Supplies N.V.   | Criterion 7         |
| 12/04/2016     | Suriname (transit)     | Smooth-bore firearms                           | Tomahawk Outdoor Sports N.V.                        | Tomahawk Outdoor Sports N.V.  | Criterion 7         |
| 09/02/2016     | Egypt                  | Armoured plates (for demonstrations / testing) | Engineering for Industries Co.                      | Army  | Criteria 2, 3 and 7 |
| 26/02/2016     | Serbia                 | Telescopic sights (for hunting)                | REFOT B.  | Natural persons who will use the goods for recreational hunting and sport | Criterion 7         |
| 04/03/2016     | KSA via France         | Sonar cable parts                              | Thales Underwater Systems SAS                       | Navy  | Criterion 4         |
| 11/03/2016     | Egypt                  | Motion system for flight simulator             | Science & Technology Center of Excellence           | Air Force   | Criterion 2         |
| 01/05/2016     | Pakistan via the US    | Fighter aircraft parts                         | Intertrade LTD                                      | Air Force   | Criterion 2         |
| 20/04/2016     | KSA (temporary export) | Portable surveillance radar                    | Saudi Capabilities Company                          | Army  | Criterion 2         |
| 10/05/2016     | Thailand (renewal)     | Parts for howitzer simulators                  | Signal Department c/o: CT Link att. Totsaporn       | Army  | Criteria 2, 3 and 4 |
| 24/05/2016     | Egypt                  | Parts for bridge layers                        | Comercial Hernando Moreno S L U                     | Army  | Criteria 2 and 7    |
| 03/06/2016     | Turkey                 | Subsonic rounds, 5.56mm calibre                | I.M.S. Insaat Makina Sevunma San. ve Tic. Ltd. Sti. | Turkish Special Forces  | Criterion 3         |
| 07/06/2016     | Turkey                 | Silencers and related tools                    | I.M.S. Insaat Makina Sevunma San. ve Tic. Ltd. Sti. | Turkish Special Forces  | Criterion 3         |
| 16/06/2016     | UAE                    | 9mm rounds                                     | Al Tuff International LLC                           | armed forces  | Criteria 2 and 7    |
| 16/06/2016     | UAE                    | Parts for F-16 fighter aircraft                | Airborne Systems FZE.                               | Air Force   | Criterion 2         |
| 22/06/2016     | Turkey                 | Cable harnesses for fighter helicopters        | Aselsan Electronic Industries Inc.                  | Air Force   | Criterion 3         |
| 22/06/2016     | Turkey                 | Cable harnesses for fighter helicopters        | Aselsan Electronic Industries Inc.                  | Air Force   | Criterion 3         |
| 18/07/2016     | UAE via Switzerland    | Parts for tank and armoured vehicle simulators | Ruag Schweiz AG                                     | Army  | Criterion 2         |
| 21/07/2016     | UAE                    | Composite rotor blades for unmanned            | Abu Dhabi Autonomous                                | armed forces  | Criterion 2         |

|            |                |  |  |  |                  |
|------------|----------------|--|--|--|------------------|
|            |                | aircraft   | Systems Investments Co LLC                                 |  |                  |
| 22/08/2016 | Qatar          | Parts for communication systems  | Qatari armed forces  | Army   | Criterion 2      |
| 21/09/2016 | Azerbaijan     | Tear gas and flares  | Ministry of Internal Affairs of the Republic of Azerbaijan | Ministry of Internal Affairs of the Republic of Azerbaijan | Criteria 2 and 4 |
| 27/09/2016 | UAE            | Countermeasure flares  | Gulf Aerospace Company                                     | Air Force  | Criterion 2      |
| 28/09/2016 | Pakistan       | Engine parts for F-16 fighter aircraft   | Aero Precision Industries LLC                              | Air Force  | Criteria 2 and 3 |
| 03/10/2016 | KSA via Norway | Portable surveillance radar systems, including accessories                       | Thales Electronic Systems GmbH                             | Army   | Criterion 2      |
| 11/10/2016 | KSA            | Fighter aircraft parts and connectors for fighter aircraft communication systems | Advanced Electronics Company                               | Air Force  | Criterion 2      |
| 24/10/2016 | UAE            | Communication equipment parts  | UAE armed forces   | armed forces   | Criterion 2      |
| 01/11/2016 | UAE            | Transit of parts for NIMR armoured vehicles                                      | NIMR Automotive LLC  | armed forces   | Criterion 2      |
| 01/11/2016 | Ukraine        | Shock absorbers  | LLC Ukrainian Armor  | Ukrainian National Guard                                   | Criteria 3 and 4 |
| 16/12/2016 | India          | Acoustic sensor  | Counter Measures Technologies (P) Ltd                      | National Security Guard                                    | Criteria 3 and 4 |

## Annexe 7 Surplus defence equipment

Table 12, Overview of surplus defence equipment sold by the Netherlands to foreign parties in 2016

| Type of equipment                          | To/via <sup>26</sup>                            | Country of final destination | End user                          |
|--|---|------------------------------|-----------------------------------|
| 76mm ammunition                            | n/a   | Greece                       | Ministry of Defence               |
| Fuel trucks                                | n/a   | Chile                        | Ministry of Defence               |
| M109 barrels                               | Star Defence Logistics & Engineering (Spain)    | Poland                       | Ministry of Defence               |
| Spare parts for Leopard tanks              | Gunter Langkopf Maschinenbau (Germany)          | Canada and Germany           | Ministry of Defence               |
| Spare parts for Lynx helicopters           | Aviation Trading (UK)                           | UK and Denmark               | Ministry of Defence               |
| Battery chargers for Leopard 2A6 tanks     | n/a   | Finland                      | Ministry of Defence               |
| Spare parts for Leopard tanks              | Star Defence Logistics & Engineering (Spain)    | Spain                        | Ministry of Defence               |
| MAG machine guns                           | n/a   | Finland                      | Ministry of Defence               |
| Spare parts for Lynx helicopters           | n/a   | South Korea                  | Ministry of Defence               |
| Gearboxes for Leopard 2A6 tanks            | Van Halteren Special Products (the Netherlands) | The Netherlands              | Van Halteren Special Products     |
| Ambulances                                 | Ministry of Foreign Affairs                     | Lebanon                      | Ministry of Defence               |
| Spare parts for Lynx helicopters           | Hayward & Green Defence Ltd. (UK)               | UK                           | Hayward & Green Defence Ltd. (UK) |
| Reserve parts for Alouette III helicopters | AeroXS (US)                                     | US                           | AeroXS                            |
| Trucks (various) and trailers              | n/a   | Estonia                      | Ministry of Defence               |

<sup>26</sup> Surplus defence equipment is occasionally sold to the original manufacturer. In some cases, it can also be sold through a private company to an end user who is known and approved at the time of sale or to a private company for its own use. A further option involves selling to a private company in another EU/NATO+ country without yet knowing the specific final destination and end user of the equipment. In such cases, an International Import Certificate is used to ensure that any attempt to export or re-export the equipment in question will be subject to controls by the EU/NATO+ country concerned.

|  |                                     |                |                              |
|--|-------------------------------------|----------------|------------------------------|
| Spare parts for Lynx helicopters         | Hayward & Green Defence Ltd. (UK)   | UK and Denmark | Ministry of Defence          |
| Alouette III helicopter                  | Private individuals                 | US             | Private individuals          |
| Wheeled vehicles (various)               | n/a                                 | Lithuania      | Ministry of Defence          |
| Spare parts for Apache helicopters       | NATO Logistic Stock Exchange (NLSE) | Greece         | Ministry of Defence          |
| Spare parts for Lynx helicopters         | NLSE                                | Portugal       | Ministry of Defence          |
| Parts for Lynx helicopters               | NLSE                                | Germany        | Ministry of Defence          |
| AIM-9 rocket motors                      | NLSE                                | Denmark        | Ministry of Defence          |
| F-16 fuel tanks                          | NLSE                                | Denmark        | Ministry of Defence          |
| ALQ-131 parts for F-16s                  | NLSE                                | Portugal       | Ministry of Defence          |
| Spare parts for C-130 aircraft           | NLSE                                | Portugal       | Ministry of Defence          |
| Spare parts for Alouette III helicopters | NLSE                                | Belgium        | Ministry of Defence          |
| Spare parts for F-16 fighter aircraft    | NLSE                                | Norway         | Ministry of Defence          |
| Spare parts for AB-412 and F-16 aircraft | NLSE                                | Portugal       | Ministry of Defence          |
| <b>Total value of contracts</b>          |                                     |                | <b>approx. €11.3 million</b> |

## Annexe 8 Overview of communication with the House of Representatives

Overview of letters to the House of Representatives and responses to written questions concerning Dutch arms export policy and policy on dual-use goods in 2016

### 8.1 Letters to the House of Representatives – arms export policy

2/12/2016, Parliamentary Paper **22054, no. 283**, Arms export policy; Letter from the government concerning undertakings given at a meeting on arms export policy with the General Committee on Foreign Trade and Development Cooperation and the Permanent Parliamentary Committee on Foreign Affairs in relation to an inquiry into the use of military equipment from the Netherlands in Yemen and a clarification of legislation regarding transit

16/11/2016, Parliamentary Paper **22054, no. 282**, Arms export policy; Letter from the government concerning the issue of a licence for the export of military equipment to Jamaica

10/11/2016, Parliamentary Paper **22054, no. 280**, report of a meeting on arms export policy with the General Parliamentary Committee on Foreign Trade and Development Cooperation and the Permanent Parliamentary Committee on Foreign Affairs on 25 October 2016

11/10/2016, Parliamentary Paper **22054, no. 278**, Arms export policy; Letter from the government concerning a correction to the 2015 edition of the annual report on arms export policy

13/7/2016, Parliamentary Paper **22054, no. 277**, Arms export policy; Letter from the government presenting the 2015 edition of the annual report on arms export policy

27/6/2016, Parliamentary Paper **22054, no. 276**, Arms export policy; Letter from the government following up on an undertaking given at the meeting on arms exports with the General Committee on Foreign Trade and Development Cooperation and the Permanent Parliamentary Committee on Foreign Trade and Development Cooperation on 11 February 2016 (Parliamentary Paper 22 054, no. 274)

24/5/2016, Parliamentary Paper **22054, no. 275**, Arms export policy; Letter from the government concerning the issue of a licence for the export of surplus defence equipment to Jordan

31/3/2016, Parliamentary Paper **22054, no. 274**, report of a meeting on arms export policy with the General Parliamentary Committee on Foreign Trade and Development Cooperation and the Permanent Parliamentary Committee on Foreign Affairs on 11 February 2016

10/2/2016, Parliamentary Paper **22054, no. 269**, Arms export policy; Letter from the government following up on undertakings given on export control policy, the implementation of action items and the burden of proof with respect to time-bar on prosecutions

26/1/2016, Parliamentary Paper **22054, no. 267**, Arms export policy; Letter from the government on the current status of outstanding motions and undertakings related to arms export policy, for use at the parliamentary committee meeting on that subject on 11 February 2016 (see above)

### 8.2 Letters to the House of Representatives – dual use

9/11/2016 Parliamentary Paper **22112, no. 2240**; Letter from the government on new Commission proposals and initiatives by EU member states; assessment of Dual-Use Regulation.

10/2/2016, Parliamentary Paper **22054, no. 268**, Arms export policy; Letter from the government regarding export controls on dogs

### 8.3 Responses to written questions – arms export policy

6/9/2016, Questions from MPs and the government's responses 2015-2016, no. 3582; Questions

by MPs Sjoerd Sjoerdsma (D66), Michiel Servaes (PvdA) and Jasper van Dijk (SP) to the Ministers of Foreign Affairs and Defence on an invitation by Saudi Arabia for the Netherlands to attend a defence trade fair (submitted on 26 July 2016).

8/7/2016, Questions from MPs and the government's responses 2015-2016, no. 3146; Questions by MPs Sjoerd Sjoerdsma (D66), Jasper van Dijk (SP) and Michiel Servaes (PvdA) to the Ministers of Foreign Affairs and Defence on a Saudi delegation's attendance at an arms trade fair, at the invitation of the Royal Netherlands Navy (submitted on 17 June 2016).

15/6/2016, Questions from MPs and the government's responses 2015-2016, no. 2853; Questions by MPs Sjoerd Sjoerdsma (D66) and Michiel Servaes (PvdA) to the Minister of Foreign Affairs about the report that 13 EU countries were supplying arms to Egypt (submitted on 27 May 2016).

10/2/2016, Questions from MPs and the government's responses 2015-2016, no. 1472; Questions by MPs Harry van Bommel and Jasper van Dijk (both SP) to the Minister of Foreign Affairs, the Minister of Defence and the Minister for Foreign Trade and Development Cooperation about the export of military equipment to Saudi Arabia (submitted on 18 December 2015).

#### 8.4 Responses to written questions – dual use

19/9/2016, Questions from MPs and the government's responses 2015-2015, no. 3567; Questions by MP Sjoerd Sjoerdsma (D66) to the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation about the use of letterbox companies registered in the Netherlands to circumvent international sanctions against the Assad regime (submitted on 13 May 2016).

6/6/2016, Questions from MPs (annexe to proceedings) 2015-2016, no. 2748; Response to questions by Wassila Hachchi and Sjoerd Sjoerdsma (both D66) about the delivery of dual-use goods (submitted on 9 December 2015).

2/6/2016, Questions from MPs and the government's responses 2015-2016, no. 2746; Questions by MPs Fred Teeven and Ronald Vuijk (both VVD) to the Minister for Foreign Trade and Development Cooperation and the Minister of Defence about the investigation into the export of controversial goods by RH Marine Group (submitted on 30 December 2015)

21/3/2016, Questions from MPs and the government's responses 2015-2015, no. 1957; Questions by MP Jasper van Dijk (SP) to the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation about a report on IS's import of components for the manufacture of IEDs (submitted on 29 February 2016).

12/2/2016, Questions from MPs (annexe to proceedings) 2015-2016, no. 1470; Response to questions by MPs Fred Teeven and Ronald Vuijk (both VVD) about the investigation into the export of controversial goods by RH Marine Group (submitted on 30 December 2015).

6/1/2016, Questions from MPs and the government's responses 2015-2015, no. 1026, Questions by MPs Wassila Hachchi and Sjoerd Sjoerdsma (both D66) to the Minister for Foreign Trade and Development Cooperation and the Minister of Economic Affairs about the controversial delivery of dual-use goods (submitted on 9 December 2015)

## 8.5 Letters sent to the House of Representatives under the accelerated parliamentary notification procedure

In accordance with the letter of 10 June 2011 announcing a stricter arms export policy (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the House of Representatives received the following letters in 2016:

*Table 13, Overview of letters under the accelerated parliamentary notification procedure*

| <b>Parliamentary Paper</b> | <b>Number</b> | <b>Date</b> | <b>Country</b>          |
|----------------------------|---------------|-------------|-------------------------|
| 22 054                     | 284           | 24/03/2017  | Thailand <sup>27</sup>  |
| 22 054                     | 284           | 24/03/2017  | Indonesia <sup>28</sup> |
| 22 054                     | 282           | 14/11/2016  | Jamaica                 |
| 22 054                     | 275           | 23/05/2016  | Jordan                  |

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<sup>27</sup> As stated in chapter 6, although this letter was sent to parliament in 2017, it refers to a licence issued in 2016 and for that reason is included in the present overview.

<sup>28</sup> As stated in chapter 6, although this letter was sent to parliament in 2017, it refers to a licence issued in 2016 and for that reason is included in the present overview.

**Letter of 24 March 2017 from Minister for Foreign Trade and Development Cooperation Lilianne Ploumen and Minister of Foreign Affairs Bert Koenders on arms export licences concerning the issue of a licence for the export of military equipment to Thailand and Indonesia (House of Representatives 2016-17, 22054, no. 284)**

In compiling the overview of the licences issued in December 2016 for the export and transit of military goods, two licences were identified which fit the criteria for the accelerated notification procedure, on the grounds of consistency with previous licences.

Both cases involve equipment for naval vessels. Previously, such equipment was treated as a 'complete system', and the House was given accelerated notification about the issue of the licence, in accordance with the procedure outlined in the letter of 10 June 2011.

For that reason we are now informing the House about the issue of the licences in question.

**Annexe 1, accelerated notification of a licence issued for Thailand**

In accordance with the stricter arms export policy announced by letter on 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth €32,737,000 issued by the Netherlands for a radar and C3 system to Thailand.

In December 2016 a Dutch company obtained a licence to export a radar and C3 system to Thailand. The goods will be installed in an offshore patrol vessel (OPV) for the Thai navy.

The end user of the goods, and of the OPV in which they will be installed, is the Thai navy, which will use the vessel to monitor and protect the Thai coastline and territorial waters. In addition to regular patrol duties and anti-piracy activities, these vessels are also used for search-and-rescue operations.

The licence application was assessed against the eight criteria of the EU's Common Position on arms exports. The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

**Human rights (criterion 2)**

After the army-led coup, the Thai regime proclaimed a state of emergency. There are concerns about the human rights situation, following restrictions on some democratic freedoms. However,

there are no indications that the Thai navy is involved in any of these human rights violations. There have been reports that, during the boat refugee crisis in 2015, there were a few cases in which elements within the Thai navy forced boats back to the open sea. This practice was swiftly stopped in response to international pressure. The Netherlands expressly asked the Thai authorities to address this issue.

A number of officials from the army, navy and police force who were involved in the smuggling of boat refugees were suspended or prosecuted. This can be considered a positive development within the Thai navy.

Given the nature of the goods, the end use and end user, a positive decision was made on this criterion. It would be inconsistent to call on the Thai authorities to take swift action to save boat refugees, while simultaneously depriving them of the means to do so effectively. It is highly unlikely that this transaction will have a negative impact on the human rights situation described above.

### **Internal conflicts (criterion 3)**

A swift return to democracy as it was before the coup seems probable, and the military government has de facto absolute power. For now, large-scale social unrest seems unlikely. Moreover, the goods in question (radar and C3 system) do not lend themselves for deployment in possible internal conflicts.

### **Regional stability (criterion 4)**

Thailand maintains good relations with most of its neighbours. An earlier border dispute with Cambodia has been resolved by the International Court of Justice. The Thai navy has a legitimate security interest in the Gulf of Thailand and the Andaman Sea. The present transaction contributes to the maritime security of the region. The Thai navy also plays a key role in combating piracy and stopping smuggling (of both goods and people).

### **Annexe 2, accelerated notification of a licence issued for Indonesia**

In accordance with the stricter arms export policy announced by letter on 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth €196,425,000 issued by the Netherlands for the export of SEWACO systems (the Dutch acronym for 'sensors, weapons systems and command systems') to Indonesia.

In December 2016 a Dutch company obtained an export licence for the export of SEWACO systems to Indonesia. The systems will be installed in frigates for the Indonesian navy.

The end user of the goods, and of the frigates in which they will be installed, is the Indonesian navy. The frigates will be used for a variety of purposes, including defending Indonesian territorial waters and conducting anti-piracy operations.

The licence application was assessed against the eight criteria of the EU's Common Position on arms exports. The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

### **Human rights (criterion 2)**

There are familiar concerns about the human rights situation in Indonesia. The protection of human rights is enshrined in the constitution, though this principle is not always adhered to in practice. For example, soldiers are known to have committed human rights violations in Papua. However, it should be noted that these violations are not systematic in nature and were not sanctioned by the army leadership. Moreover, the navy had no part in these actions. There is thus no connection between the goods in question and possible human rights violations.

### **Internal conflicts (criterion 3)**

There are internal tensions in Papua. Papuan nationalists are pushing for independence. Maintaining order is the responsibility of the police, not the navy. Internal tensions involving members of the armed forces did not involve the navy. The export of the goods in question will therefore not contribute to a rise in internal tensions.

### **Regional stability (criterion 4)**

Indonesia has border disputes with a number of its neighbours for which it is attempting to find diplomatic solutions, in some cases through the International Court of Justice. There have been various maritime disputes in the South China Sea for some time, especially in relation to islands in these waters. The Indonesian navy is only tangentially involved in these disputes, and Indonesia has made no direct territorial claims on the islands.

**Letter of 14 November 2016 from Minister for Foreign Trade and Development Cooperation Lilianne Ploumen and Minister of Foreign Affairs Bert Koenders on arms export licences concerning the issue of a licence for the export of military equipment to Jamaica (House of Representatives 2016-17, 22054, no. 282)**

In accordance with the stricter arms export policy announced by letter on 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth USD 26,400,000 issued by the Netherlands for the export of military equipment to Jamaica.

A Dutch company recently obtained a licence to export two patrol vessels to Jamaica. The ships, which will be delivered without weapons, contain mounts on which only small-calibre weapons can be installed.

The end user of the vessels is the Jamaican coastguard, which will use them for maritime surveillance of the Jamaican coastline. This includes operations to combat drug trafficking, human trafficking and piracy, as well as search-and-rescue operations.

The licence application was assessed against the eight criteria of the EU's Common Position on arms exports. The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

**Human rights (criterion 2)**

The Jamaican government generally respects human rights, though a number of concerns do exist, particularly about civilian security, due to a number of factors, including the high degree of impunity, corruption, discrimination, inadequate and excessively restricted access to justice, and poor treatment of prisoners. On the other hand, rights like freedom of expression and freedom of the press are guaranteed.

Given the nature of the goods and their end use and end user (patrol vessels for maritime surveillance by the coastguard), it is highly unlikely that this transaction will have a negative influence on the human rights situation described above.

**Regional stability (criterion 4)**

In regional terms, Jamaica is not involved in any interstate tensions. The country does, however, face the problem of transnational crime and drug trafficking. Great efforts have been made in recent years to combat the cocaine trade, and as a result, Jamaica is now used less frequently as

a transit country. Given the end use of the goods in question (patrol vessels to be deployed in, for example, counter-narcotics operations), the goods could have a positive effect on regional stability.

**Letter of 23 May 2016 from Minister for Foreign Trade and Development Cooperation Lilianne Ploumen and Minister of Foreign Affairs Bert Koenders on arms export licences concerning the issue of a licence for the export of military equipment to Jordan (House of Representatives 2016-17, 22054, no. 275)**

In accordance with the stricter arms export policy announced by letter on 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth €4,750,000 issued by the Netherlands for the export of surplus defence equipment to Jordan.

The Ministry of Defence recently obtained an export licence for the export to Jordan of 52 Maverick air-to-ground missiles and associated equipment, including launchers, training missiles, test sets and spare parts, worth €4,000,000, plus mission-related equipment for F-16 fighter aircraft (30 underwing adapters #15 and 30 wing weapon pylons) worth €750,000. The end user is the Jordanian air force.

It concerns the first delivery of a contract concluded with Jordan on 17 December 2013 to supply 15 F-16 fighter aircraft in the Mid-life Update M5 configuration, with mission-related and other auxiliary equipment and the supply of 52 Maverick air-to-ground missiles, worth a total of €81.5 million, which the House was informed about by the Minister of Defence on 25 September 2014 (Parliamentary Paper 22 054, no. 232).

Jordan has procured the Dutch F-16 aircraft to replace its own, outdated F-16 aircraft. The first delivery is scheduled for August/September 2016. The second delivery, which mainly concerns aircraft, is scheduled for the end of 2017.

The licence application was assessed against the eight criteria of the EU's Common Position on arms exports (GS 2008/944 of 8 December 2008). The relevant parts of this assessment, which resulted in the approval of the application, are summarised below, with particular attention to the regional context (criterion 4).

**Human rights (criterion 2)**

The human rights situation in Jordan is better than in many other countries in the region. In comparison, Jordan is stable and its government policy moderate. Yet there is still cause for concern. There is concern over incidents of maltreatment of prisoners, violation of the human rights of Palestinian refugees and limiting of the freedom of the press, freedom of expression and freedom of assembly. On 21 December 2014 Jordan lifted its eight-year moratorium on the death

penalty and executed 11 people. Another 113 people have been sentenced to death in various murder cases. Jordan is failing to sufficiently implement many of the reforms it has promised.

However there is no connection between the Jordanian armed forces and the human rights violations observed. As a result, the assessment for this criterion was positive.

### **Internal conflicts (criterion 3)**

The country's economic situation remains troubling. Many Jordanians are dissatisfied with the economic situation. Unemployment is high. The civil war in Syria and ISIS's recent advance in Iraq and Syria has had a considerable spillover effect in Jordan. The influx of migrants has led to major shortages in the areas of healthcare, education, housing and water, and is putting pressure on Jordanian society.

Despite all the turbulence in the region, the internal situation in Jordan is relatively stable. The government does its best to maintain peace and calm and the risk of conflicts emerging is limited. In addition, Jordan has legitimate security interests, particularly in view of its current support for the anti-ISIS coalition and the increased risk of attacks that is partly the result of that support. Although heated demonstrations take place, they are generally not violent. In recent years the Jordanian armed forces have not been deployed to contain demonstrations. The goods in question are not suitable for use against Jordan's own population.

### **Regional stability (criterion 4)**

Jordan plays an important stabilising role in the region, for instance in the Israeli-Palestinian talks and with regard to ISIS and Syria. Jordan's international position was strengthened when it was elected to the UN Security Council. Its role in the reception of Syrian refugees has also enhanced the country's importance in the international arena.

Until recently, Jordan adopted a cautious approach towards Syria and tried to find a political solution. On 22 September 2014 Jordan joined the anti-ISIS coalition along with the US and a number of Gulf states. Early this year images were shown in the media of ISIS burning a crashed Jordanian pilot alive.

Jordan has a very legitimate need for security. It has no intention of acting as an aggressor towards other countries or staking territorial claims, and it is part of a broad international anti-ISIS coalition in which the Netherlands also participates. As a result, the assessment for this criterion was positive.